

Working Capital Management Atngxp Technologies, Kochi

Mr. Abhishek V M¹, Dr. C Ashokan²

¹Dept of MBA

²HOD, Dept of MBA

^{1, 2} Jawaharlal College of Engineering And Technology, Ottapalam

Abstract- NGXP Technologies, headquartered in Kochi, Kerala, is an emerging technology solutions provider dedicated to delivering innovative and efficient digital solutions for businesses across diverse sectors. Specializing in areas such as software development, IT consulting, cloud services, data analytics, and enterprise solutions, NGXP Technologies empowers organizations to navigate the complexities of the digital landscape. With a focus on customer-centric approaches and cutting-edge technologies, the company is committed to driving digital transformation and operational excellence for its clients. NGXP Technologies fosters a culture of continuous learning, innovation, and collaboration, which enables it to design customized solutions that address specific business challenges and unlock new growth opportunities. Leveraging its skilled workforce and robust technological capabilities, NGXP Technologies continues to expand its footprint, contributing to the advancement of the digital economy both regionally and globally

Keywords- WorkingCapital Management, Profitability Ratio Analysis, Current Ratio, Quick Ratio, Operating Ratio, Debtors Turnover Ratio, Creditors Turnover Ratio,

I. INTRODUCTION

Working capital is a crucial financial metric that determines a company's ability to meet its short-term obligations and sustain daily operations. It represents the difference between current assets and current liabilities, reflecting liquidity, operational efficiency, and overall financial health. Effective management of working capital ensures that a company can maintain smooth business activities, optimize cash flow, and minimize financial risks. This study focuses on analyzing the working capital management of **NGXP Technologies**, a leading IT solutions provider specializing in AI automation, software development, and cloud services. As a technology-driven company, NGXP relies on efficient cash flow management to fund its operations, invest in innovation, and sustain growth. The study examines key aspects such as current asset and liability management, liquidity ratios, and the efficiency of cash

conversion cycles. By assessing these factors, the research aims to provide insights into how NGXP Technologies manages its short-term finances and offers recommendations to enhance financial stability and operational efficiency. Understanding the working capital position of NGXP Technologies is essential for evaluating its financial resilience and identifying opportunities for improvement in cash flow management.

II. REVIEW OF LITERATURE

- Mosa Ahmadi (2012) examined how working capital management influences profitability among companies in the food sector listed on the Tehran Stock Exchange. The research analyzed data from 33 firms over the period 2006 to 2011, focusing on factors such as the average accounts receivable period, inventory turnover rate, duration of medium-term debt repayment, and the cash conversion cycle in relation to operational net profits. The study concluded that reducing the duration of receivables collection, debt repayment, inventory holding, and the cash conversion cycle can significantly enhance shareholder value
- Frank Kabuye (2019) conducted a study to evaluate how internal control systems and working capital management influence the financial performance of supermarkets. The findings challenged earlier assumptions by revealing that internal control systems alone do not have a significant impact on financial outcomes. However, the study suggests that with effective working capital management in place, organizations are more likely to establish sound internal controls that support better financial performance. These insights are valuable for shaping internal control and working capital management policies, as they help define the necessary frameworks to improve organizational financial success.
- VenancioTauringanga (2013) conducted a study to assess how working capital management—specifically the cash conversion cycle (CCC) and its components (inventory, accounts receivable, and accounts payable)—impacts the profitability of small and medium-sized enterprises (SMEs). Using panel data analysis, the study found that

effectively managing accounts payable (AP) and accounts receivable (AR) plays a crucial role in enhancing SME profitability, with AP management being slightly more influential than AR management. On the other hand, inventory management and the overall CCC were not found to have a significant effect on profitability. However, responses from the questionnaire indicated that SME managers view the management of CCC and all its components as vital to profitability, ranking AR management as the most critical factor, followed by AP, inventory, and finally CCC.

III. OBJECTIVES OF THE STUDY

PRIMARY OBJECTIVE

To evaluate the working capital management practices at Ngxp technologies kochi

SECONDARY OBJECTIVES

- To examine the working capital structure of NGXP Technologies, including its current assets and liabilities.
- To analyze the liquidity position of the company using key financial ratios such as the Current Ratio, Quick Ratio, and Working Capital Turnover Ratio.
- To evaluate the efficiency of receivables and payables management, identifying any delays or inefficiencies in cash collection and payment cycles.

IV. RESEARCH METHODOLOGY

Descriptive research in working capital management involves systematically describing and summarizing the characteristics, behaviour and practices related to the management of cash within organizations. This type of research aims to provide a comprehensive overview of the current state of cash management, without necessarily seeking to establish causal relationships or test hypotheses.

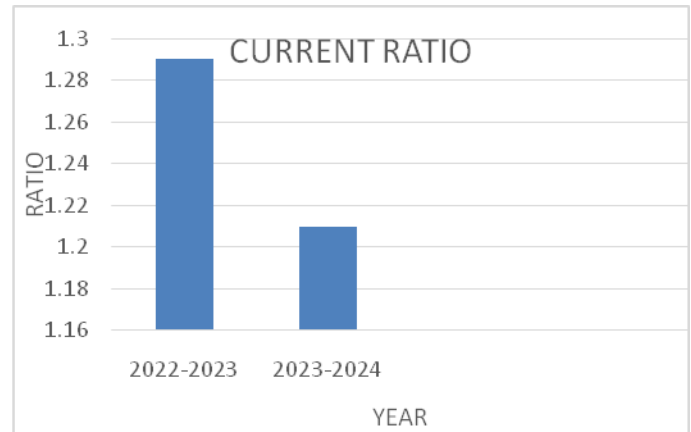
V. DATA ANALYSIS

RATIO ANALYSIS

CURRENT RATIO

$$\text{Current Ratio} = \text{Current Assets} / \text{Current Liabilities}$$

YEAR	CURRENT ASSETS	CURRENT LIABILITIES	RATIO
2022 – 2023	6070455.26	4693793.00	1.29
2023– 2024	5361295.00	4423194.00	1.21



INTERPRETATION

The current ratio has slightly decreased from 1.29 to 1.21, indicating a marginal reduction in liquidity position..

STATEMENT OF CHANGES IN WORKING CAPITAL

Working capital (2023-2024)

PARTICULARS	2023 (₹)	2024 (₹)	INCREASE IN WC	DECREASE IN WC
CURRENT ASSETS (a)				
Accounts Receivable	18,62,653.63	19,21,850.00	59,196.37	
Cash & Cash Equivalents	10,45,510.73	11,60,480.80	1,14,970.07	
Other Current Assets	31,62,290.90	22,78,964.20		8,83,326.70
TOTAL CURRENT ASSETS	60,70,455.26	53,61,295.00	1,74,166.44	8,83,326.70
CURRENT LIABILITIES (b)				
Accounts Payable	16,46,118.82	18,64,450.80		2,18,331.98
Short-Term Provisions	1,23,006.43	1,56,820.00		33,813.57
Other Current Liabilities	29,24,667.69	24,01,923.20	5,22,744.49	
TOTAL CURRENT LIABILITIES	46,93,793.00	44,23,194.00	5,22,744.49	2,52,145.55
NET WORKING CAPITAL (a-b)	13,76,662.26	9,38,101.00		4,38,561.26
NET INCREASE/DECREASE IN WC			5,22,744.49	6,91,472.25

INTERPRATATION

The Statement of Changes in Working Capital (2023–2024) shows a net decrease of ₹4,38,561.26, indicating a weaker liquidity position. The major decrease in working capital is due to a significant reduction in other current assets (₹8,83,326.70), while accounts receivable (₹59,196.37) and cash & cash equivalents (₹1,14,970.07) increased slightly, reflecting improved collections and liquidity. On the liabilities side, other current liabilities decreased (₹5,22,744.49), which positively impacted working capital, but accounts payable (₹2,18,331.98) and short-term provisions (₹33,813.57) increased, reducing available funds. Overall, the decline in working capital suggests the company may need to improve cash flow management and optimize short-term asset utilization to maintain financial stability

COMMON SIZE BALANCE SHEET (2023-2024)

Particulars	2023 (₹)	2024 (₹)	% of Total (2023)	% of Total (2024)
Share Capital	1,50,00,000	1,50,00,000	63.90 %	63.25 %
Reserves & Surplus	30,30,191.95	36,54,291.00	12.91 %	15.40 %
Long-Term Borrowings	7,61,015.11	6,42,300.00	3.24%	2.71%
Account Payables	16,46,118.82	18,64,450.80	7.01%	7.86%
Short-term Provisions	1,23,006.43	1,56,820.00	0.52%	0.66%
Other Current Liabilities	29,24,667.69	24,01,923.20	12.45 %	10.12 %
Total Liabilities & Equity	2,34,85,000	2,37,19,785	100%	100%

Particulars	2023 (₹)	2024 (₹)	% of Total (2023)	% of Total (2024)
Fixed Assets	1,48,89,094.74	1,50,06,149.80	63.40 %	63.29 %
Intangible Assets	34,25,450.00	32,40,240.00	14.58 %	13.67 %
Other Non-Current Assets	90,100.20	1,12,100.20	0.38%	0.47%
Account Receivables	18,62,653.63	19,21,850.00	7.93%	8.10%
Cash & Cash Equivalents	10,45,510.73	11,60,480.80	4.45%	4.89%
Other Current Assets	31,62,290.90	22,78,964.20	13.46 %	9.61%
Total Assets	2,34,85,000	2,37,19,785	100%	100%

VI. CONCLUSION

The financial analysis of NGXP Technologies, Kochi, indicates challenges in working capital management due to a decline in short-term financial resources. Although the company is generating profits, it must focus on improving liquidity by optimizing receivables, managing payables efficiently, and maintaining sustainable working capital levels. Implementing these strategies will help NGXP Technologies ensure financial stability and operational efficiency in the long run

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